



# PUBLIC NOTICE

**Federal Communications Commission  
45 L St., N.E.  
Washington, D.C. 20554**

**News Media Information 202 / 418-0500  
Internet: <http://www.fcc.gov>**

**DA 22-829  
Released: August 5, 2022**

**DOMESTIC SECTION 214 APPLICATION FILED FOR  
THE ACQUISITION OF ASSETS OF  
PRIORITYONE TELECOMMUNICATIONS, INC.  
BY ZIPLY FIBER PACIFIC, LLC**

**NON-STREAMLINED PLEADING CYCLE ESTABLISHED**

**WC Docket No. 22-244**

**Comments Due: August 19, 2022  
Reply Comment Due: August 26, 2022**

By this Public Notice, the Wireline Competition Bureau seeks comment from interested parties on an application filed by Ziplly Fiber Pacific, LLC (Ziplly Fiber Pacific) and PriorityONE Telecommunications, Inc. (PriorityONE) (collectively, Applicants), pursuant to section 214 of the Communications Act of 1934, as amended, and sections 63.03-04 of the Commission's rules, requesting consent to transfer assets of PriorityONE to Ziplly Fiber Pacific.<sup>1</sup>

PriorityONE, an Oregon corporation, operates as a competitive local exchange carrier (LEC) in the Oregon counties of Baker, Union, and Wallowa, providing telecommunications and broadband services predominantly as a reseller.<sup>2</sup> Ziplly Fiber Pacific, a Delaware limited liability company, was created for the purposes of the proposed transaction.<sup>3</sup> It will operate under the management of its parent company, Northwest Fiber, LLC (Northwest Fiber), and in conjunction with existing Northwest Fiber subsidiaries (the Ziplly Affiliates), which currently provide telecommunications and broadband services in Idaho, Montana, Oregon, and Washington.<sup>4</sup> Northwest Fiber is indirectly held by Searchlight Capital Partners II GP, LLC (Upper GP)

<sup>1</sup> See 47 U.S.C. § 214; 47 CFR §§ 63.03-04. Joint Application for Consent to Assign Assets and Customers of PriorityONE Telecommunications, Inc. to Ziplly Fiber Pacific, LLC, WC Docket No. 22-244 (filed June 22, 2022) (Application). Applicants filed a supplement to their Application on July 27, 2022. See Letter from Wyatt Baum, Counsel for PriorityONE Telecommunications, Inc., and K.C. Halm and John C. Nelson, Jr., Counsel for Ziplly Fiber Pacific, LLC, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 22-244 (filed July 27, 2022) (Supplement). Applicants also filed applications for the transfer of authorizations associated with international and wireless services. Any action on this domestic section 214 application is without prejudice to Commission action on other related, pending applications.

<sup>2</sup> Application at 3-4.

<sup>3</sup> *Id.* at 2.

<sup>4</sup> *Id.* at 2-3.

(Delaware, 80% interest), the “ultimate controlling entity for the Searchlight funds”<sup>5</sup> and WDC Management, LLC (Washington, 10% interest).<sup>6</sup> The Searchlight funds are ultimately controlled by the following individuals, each holding a 33.3% voting and equity interest: Eric Zinterhofer, a U.S. citizen; Erol Uzumeri, a Canadian citizen; and Oliver Haarmann, a German citizen.<sup>7</sup> WDC has one member, Steve Weed, a U.S. citizen.<sup>8</sup>

Pursuant to the terms of the proposed transaction, Ziply Fiber Pacific will acquire from PriorityONE “various rights, property, and assets (including all customer contracts and customer relationships) used in or necessary for the business of providing, for consumer and commercial use, broadband and voice services, including high-speed internet, transport, transit, voice, data, and other telecommunications services, throughout PriorityONE’s service territory over a fiber-based network infrastructure, together with services resold off of copper-based networks of local ILECs.”<sup>9</sup> As a result, Ziply Fiber Pacific will become the telecommunications service provider of PriorityONE’s existing customers.<sup>10</sup>

Applicants contend that the proposed transaction is in the public interest, will be transparent to customers, and that Northwest Fiber’s post-transaction managerial and financial investment will result in the “continued expansion of PriorityONE’s fiber-based service to more business and residential customers across the state of Oregon.”<sup>11</sup> They further state that there are certain competitive providers in areas in which PriorityONE and Ziply Fiber affiliates both provide service.<sup>12</sup>

Because the proposed transaction is more complex than those accepted for streamlined treatment, and in order to analyze whether the proposed transaction would serve the public interest, we accept the Application for non-streamlined processing.<sup>13</sup>

Referral to Executive Branch Agencies. Through this Public Notice, pursuant to Commission practice, the Application and the associated international application, ITC-ASG-20220623-00076, are being referred to the relevant Executive Branch agencies for their views on any national security, law enforcement, foreign policy, or trade policy concerns related to the foreign ownership of the Applicants.<sup>14</sup>

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<sup>5</sup> Supplement at 6.

<sup>6</sup> *Id.* at 3. The Applicants provide a detailed post-consummation ownership structure. *Id.* at Appendix A (Narrative Description of Post-Closing Ownership), Appendix B (Post-Closing Ownership Structure Chart).

<sup>7</sup> *Id.* at 6-7. Applicants state that several Canadian pension and investment entities and a British Columbia pension fund hold a 10% or greater interest in Northwest Fiber through limited partnership interests in certain Searchlight funds. *Id.* at 7-8.

<sup>8</sup> *Id.* at 3.

<sup>9</sup> Application at 4.

<sup>10</sup> *Id.*

<sup>11</sup> *Id.* at 5-6.

<sup>12</sup> Supplement at 1-2.

<sup>13</sup> 47 CFR § 63.03(c)(1)(v).

<sup>14</sup> 47 CFR § 1.40001. *See Process Reform for Executive Branch Review of Certain FCC Applications and Petitions Involving Foreign Ownership*, IB Docket 16-155, Report and Order, 35 FCC Rcd 10927 (2020), Erratum (Appendix B — Final Rules), DA 20-1404 (OMD/IB rel. Nov. 27, 2020). *See also Rules and Policies on Foreign Participation in the U.S. Telecommunications Market; Market Entry and Regulation of*

Domestic Section 214 Application Filed for the Acquisition of Assets of  
PriorityONE Telecommunications, Inc. by Zply Fiber Pacific, LLC,  
WC Docket No. 22-244 (filed Jun. 22, 2022).

### **GENERAL INFORMATION**

The application identified herein has been found, upon initial review, to be acceptable for filing. The Commission reserves the right to return any application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules and policies.

Interested parties may file comments **on or before August 19, 2022**, and reply comments **on or before August 26, 2022**. Comments may be filed using the Commission's Electronic Comment Filing System (ECFS) or by paper.

- Electronic Filers: Comments may be filed electronically by accessing ECFS at <http://apps.fcc.gov/ecfs/>.
- *Paper Filers*: Parties who choose to file by paper must file an original and one copy of each filing. If more than one docket or rulemaking number appears in the caption of this proceeding, filers must submit two additional copies for each additional docket or rulemaking number.
  - Filings can be sent by commercial overnight courier or by first-class or overnight U.S. Postal Service mail.<sup>15</sup> All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.
  - Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9050 Junction Drive, Annapolis Junction, MD 20701. U.S. Postal Service first-class, Express, and Priority mail must be addressed to 45 L Street, NE, Washington, DC 20554.

People with Disabilities: We ask that requests for accommodations be made as soon as possible in order to allow the agency to satisfy such requests whenever possible. Send an email to [fcc504@fcc.gov](mailto:fcc504@fcc.gov) or call the Consumer and Governmental Affairs Bureau at (202) 418-0530.

#### **In addition, e-mail one copy of each pleading to each of the following:**

- 1) Dennis Johnson, Competition Policy Division, Wireline Competition Bureau,  
[dennis.johnson@fcc.gov](mailto:dennis.johnson@fcc.gov);
- 2) David Krech, Telecommunications and Analysis Division, International Bureau,  
[david.krech@fcc.gov](mailto:david.krech@fcc.gov);

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*Foreign-Affiliated Entities*, IB Docket Nos. 97-142 and 95-22, Report and Order and Order on Reconsideration, 12 FCC Rcd 23891, 23918-19, paras. 61-63 (1997) (*Foreign Participation Order*), recon. denied, 15 FCC Rcd 18158 (2000).

<sup>15</sup> Effective March 19, 2020, and until further notice, the Commission no longer accepts any hand or messenger delivered filings. This is a temporary measure taken to help protect the health and safety of individuals, and to mitigate the transmission of COVID-19. See *FCC Announces Closure of FCC Headquarters Open Window and Change in Hand-Delivery Policy*, Public Notice, 35 FCC Rcd 2788 (OS 2020).

- 3) Sumita Mukhoty, Telecommunications and Analysis Division, International Bureau, [sumita.mukhoty@fcc.gov](mailto:sumita.mukhoty@fcc.gov); and
- 4) Jim Bird, Office of General Counsel, [jim.bird@fcc.gov](mailto:jim.bird@fcc.gov).

The proceeding in this Notice shall be treated as a “permit-but-disclose” proceeding in accordance with the Commission’s *ex parte* rules. Persons making *ex parte* presentations must file a copy of any written presentation or a memorandum summarizing any oral presentation within two business days after the presentation (unless a different deadline applicable to the Sunshine period applies). Persons making oral *ex parte* presentations are reminded that memoranda summarizing the presentation must (1) list all persons attending or otherwise participating in the meeting at which the *ex parte* presentation was made, and (2) summarize all data presented and arguments made during the presentation. If the presentation consisted in whole or in part of the presentation of data or arguments already reflected in the presenter’s written comments, memoranda or other filings in the proceeding, the presenter may provide citations to such data or arguments in his or her prior comments, memoranda, or other filings (specifying the relevant page and/or paragraph numbers where such data or arguments can be found) in lieu of summarizing them in the memorandum. Documents shown or given to Commission staff during *ex parte* meetings are deemed to be written *ex parte* presentations and must be filed consistent with rule 1.1206(b), 47 CFR § 1.1206(b). Participants in this proceeding should familiarize themselves with the Commission’s *ex parte* rules.

To allow the Commission to consider fully all substantive issues regarding the application in as timely and efficient a manner as possible, petitioners and commenters should raise all issues in their initial filings. New issues may not be raised in responses or replies.<sup>16</sup> A party or interested person seeking to raise a new issue after the pleading cycle has closed must show good cause why it was not possible for it to have raised the issue previously. Submissions after the pleading cycle has closed that seek to raise new issues based on new facts or newly discovered facts should be filed within 15 days after such facts are discovered. Absent such a showing of good cause, any issues not timely raised may be disregarded by the Commission.

For further information, please contact Dennis Johnson at (202) 418-0809.

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<sup>16</sup> See 47 CFR § 1.45(c).